

MONTGOMERY COUNTY, MARYLAND

HOUSING AND ZONING

PRE-SENIOR SUMMIT WORK GROUP
READ AHEAD PAPER



HOUSING AND ZONING

BACKGROUND

Housing is fundamental to quality of life. Where you live, what it costs, what services and amenities are close by all contribute to a sense of well-being or the lack thereof. Montgomery County's housing goal in its *1993 General Plan Refinement* is "to encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate densities and locations." This goal is especially important to older residents, as fixed incomes may not keep up with inflation, disabilities and other health challenges may emerge, and driving may become more difficult.

Housing for seniors comes in many forms. The goal of aging in the community at the highest quality of life can be achieved through a variety of means, including: remaining in one's current home, moving to another home in an age integrated community (i.e., downsizing) or moving to an age restricted setting. Consequently, options range from single family homes, to apartments, to independent living, to assisted living, groups homes, continuing care retirement communities and even nursing homes. Such settings might be owner-occupied, subsidized, rented or owned under some other arrangement. Ultimately, the maximum quality of life occurs when individual's environments are well matched with their needs and capabilities.

AGING IN PLACE

Multiple surveys show that the vast majority of older people prefer to age in place. Both an AARP survey in the 1990s and a 2004 Maryland-National Capital Park and Planning Commission (M-NCPPC) survey of Montgomery County residents age 55 and older found that 80 to 85 percent prefer not to live in age restricted housing. The choice seems to change somewhat with age, perhaps by necessity. A 1998 Urban Land Institute publication, *Seniors' Housing and Care Facilities*, says that "on average, residents enter independent-living units at 78.8 years of age, assisted living or personal care at 83.7 years of age, and nursing care at 84.3 years of age."

In addition, the M-NCPPC study found that 30 percent of respondents had an interest in "active adult" or "empty-nester" housing, smaller units with many social and recreational opportunities, generally oriented toward younger seniors. Leisure World is an established example of this housing type, but the County, unlike much of the country, has no recent examples of this choice.

Aging in place creates many challenges, both for the household and for the County. Some of these may include finances, delivery of services when needed, home maintenance, and transportation. (Services and transportation are discussed in other white papers.) The unknown element is how these challenges and preferences may change as the baby boomers, those born between 1946 and 1964, reach typical retirement age. Projections made by M-NCPPC indicate that whereas currently the majority of seniors live in relatively high density settings close to stores and services (typically a result of aging in place by earlier cohorts), baby boomers are projected to retire in suburban communities that are greater distances from stores and services; creating potential challenges if individual become isolated (e.g., widowed) or have difficulties with transportation.

The baby boom generation's current preference is to age in place and remain employed. As the National Association of Area Agencies on Aging's *Blueprint for Action* indicates, "Most baby boomers have grown up and spent their adult lives in suburban areas. As they age, communities will need to adapt to their changing physical abilities and life circumstances." To address these issues, several Bethesda communities, such as the Burning Tree Village, and one Rockville community are exploring ways to foster aging in place in their communities. In addition, many older households independently consider the option of "downsizing," moving to a new home setting that better matches their current and future needs and capabilities, not necessarily in an age-restricted setting.

Maryland Governor, Martin O'Malley, recently called Montgomery County the county "where we're already doing that," and to some degree that is true for meeting senior housing needs. For example, the *Blueprint* recommends "property tax relief programs for older homeowners." Montgomery County currently has a ten percent per year limit on the increase in the taxable portion of assessments for all homeowners. It also has a circuit-breaker option, which currently allows homeowners with incomes under \$64,000 a property tax credit based on a percentage of income. Eligible owners aged 70 and older receive an extra 25 percent credit. This can be very important for those whose houses have appreciated substantially in value, but whose incomes are fixed. Still, more might be done

The *Blueprint* also encourages mixed use zoning so that "residents can choose to live within walking distance (generally considered to be one-quarter mile) of basic amenities, such as health facilities, drug stores, supermarkets, and banks," and "land use plans and zoning codes (that) enable and encourage housing in proximity to services and support the formation of intergenerational mixed-income communities." Montgomery County encourages mixed-use development in most master plans outside the Agricultural Reserve, especially near transit stations and in central business districts, such as Bethesda and Silver Spring. However, much of the new housing in these areas is very expensive,

even with Moderately Priced Dwelling Units (MPDUs), Housing Opportunities Commission (HOC) buildings, and financing that requires low income units.

Two more *Blueprint* recommendations are to “Encourage universal design and visitability in new housing construction,” and to “Incorporate accessory dwelling units...in the zoning code.” Montgomery County recently instituted a voluntary program to encourage visitability and universal design. It appears to have been well-received, especially by those renovating existing housing. Legislation requiring it failed to pass the State legislature this year but appears likely to be introduced again. The County may wish to weigh in if it does. The County currently allows accessory apartments—separate apartments within an owner-occupied housing unit—by special exception. The special exception process is somewhat time-consuming and expensive, so the numbers of these units have been fairly low.

Although Montgomery County has already implemented many *Blueprint* recommendations, more could be done. For example, easing the approval process for accessory apartments and finding a source to assist with condo fees for low-income condo owners could help more people realize their hopes of aging in place. Other tax relief programs, such as credit for volunteer work, might also be useful.

AGE-RESTRICTED HOUSING

For those who prefer or need age-restricted housing, the question is whether the County has an adequate supply at a reasonable range of prices. A 2005 M-NCPPC study, entitled *Affordable Assisted Living Tops Senior Housing Needs!* reports that there were 5,437 independent living units, 2,857 units in continuing care retirement communities (CCRCs), 1,212 assisted living units, and 724 group home beds in the County in 2005. There were also 4,820 nursing home beds and 168 beds in specialized Alzheimer’s facilities, neither of which are age restricted but both of which tend to have a high proportion of older residents. All of these are in addition to the approximately 4,750 units at Leisure World. A 2000 M-MCPPC study found that Montgomery County’s percentage of seniors living in age-restricted housing was similar to five other counties with similar demographics and climate. It also found that the supply as a percentage of population aged 65 and older was consistent with the percentage of AARP survey respondents who preferred this housing. In addition, current waiting lists tend to be short or non-existent.

In view of current preferences, Montgomery County’s senior housing appears adequate, but is it affordable? Opportunities for independent living appear available to a wide range of incomes. The M-NCPPC study found that 75 percent of the independent living units, not in CCRCs, were subsidized or price controlled. A large percentage of recent senior housing construction has been financed through Low Income Housing Tax Credits, which require large numbers of affordable units, in some cases every unit. HOC owns a

total of 506 units of senior complexes, and others are owned and operated by various non-profit organizations, many of them faith based. All tend to provide affordable units. Of the CCRCs, only Friends House has price and income ceilings through its Housing Urban Development financing. Others, such as Asbury, have developed resources to help longer-term residents to remain if they can no longer afford their units.

As the title of the 2005 M-NCPPC study suggests, the major lack is affordable assisted living. Victory Housing has six assisted living complexes containing about 175 units, many of which are subsidized. Otherwise, the Medicaid waiver is the primary source of assistance for lower income people needing assisted living, and it appears limited. The challenge for assisted living is that while there are various programs to construct affordable housing, the high cost of the necessary services tends to make operating them prohibitively expensive. This is a prime example of a case where shelter and services need to be better coordinated, at least from the perspective of funding.

LEGGETT TRANSITION REPORT

“Planning and Growing Sustainable Communities”

“We need more flexible land use policies and economic development strategies that balance jobs and housing. We must recognize changing regional traffic patterns, likely growth corridors, agricultural reserve boundaries, and revitalized urban centers while taking into account our aging population, new immigrants and the increasing diversity of our County.”

“Assure that affordable housing objectives provide housing for persons with special needs and those at or below 30% of area median income.”

CHALLENGES

The County faces a number of challenges in providing its residents the opportunity to meet their housing preferences and needs as they age. Challenges that need to be considered include, but are not limited to:

1. Enhancing coordination between housing and service funding and providers.

Coordination is important whether people age in place or live in age-restricted housing, have limited incomes or more generous resources, and whether their housing is privately-owned, publicly-owned, or owned by a non-profit organization. Montgomery County does well in coordinating its efforts. However, separate funding streams for housing and services, especially from

federal programs; complicate these efforts for both the County and its residents. Everyone could benefit from ensuring that appropriate resources are available for both housing and associated in a timely fashion.

2. Increasing County residents' access to information about housing choices and related services appropriate to their needs.

The County offers many housing programs and related services for its older residents. New ones are likely in the future. Unfortunately, news of these resources does not always reach the people who could most benefit from them. As people become less mobile with less contact with the outside world, the challenges to providing them with needed information increase.

3. Educating seniors, their families, and landlords about options to enhance the livability and visitability of their homes as they age.

Options might include adding ramps; grab bars in bathrooms, stair lifts, and similar devices to existing homes. Other adaptive equipment and assistive technologies might be helpful. Occupational therapists and other professionals could be highlighted as resources for such suggestions. Educational efforts should also encourage building new housing especially that designed specifically for seniors, to universal design standards, or, at least to visitability standards. Information should be provided about possible tax breaks and any other financial resources to support these modifications.

4. Monitoring the housing preferences of baby boomers as they age and accommodate them to the degree possible.

Most baby boomers currently expect to age in place. However, experience shows that what people expect to do when they are 55 and what they actually do at 80 may vary. The County appears to have a sufficient supply of age-restricted housing at this time, but given the size of the baby boom population, there could be a shortage if preferences change.

ACTIONS TO ASSIST SENIORS

HOUSING:

1. Expand opportunities for assisted living for low and moderate income seniors.

Affordable assisted living is a prime example of the need for coordination of resources, so that programs that support the shelter part of a project can be coupled with funding sources for the necessary services. Since assisted living, while expensive, costs less than nursing home care, the Medicaid waiver should be targeted for this purpose to the greatest degree possible. In addition, creation of additional affordable units would help meet the needs of County residents.

- 2. Create a program to assist low income condo owners with condominium fees.**
Condominium fees inevitably rise with rising utility costs and maintenance needs. Meanwhile, many long-term, older owners live on fixed incomes with increasingly limited buying power. Many County seniors are able to afford rental apartments through various rental assistance programs. A similar program for low-income condo owners could allow them to continue to afford their present homes.
- 3. Educate seniors about the potential benefits of downsizing.**
Given the challenges of social isolation and transportation that confront many seniors who age in the community in suburban single family homes, the County might have a role as part of its information/outreach function in educating people about the choices and potential benefits of downsizing.

PLANNING:

- 4. Explore ways to accommodate “active adult” or “empty-nester” housing in the County.**
Thirty percent of respondents to the M-NCPPC senior housing survey expressed interest in this housing type. It can be an efficient use of land since housing units are usually more compact, on smaller lots. It can also free larger homes for households with children. There have been no new subdivisions of this type since Leisure World started construction decades ago. Developable land is increasingly scarce in the County. Nonetheless, there may be ways to revise the Montgomery County Zoning Ordinance that would permit some new construction of this type.
- 5. Allow accessory apartments by right with standards for homeowners aged 65 and older.**
Currently, accessory apartments must be approved through a comparatively lengthy, expensive special exception process. The community is concerned that allowing them by right would lead to overcrowding and excessive traffic. Since seniors tend to drive less and have small households, the impact of an accessory apartment should be less. There could be many benefits. Such an apartment could offer needed income, the security of having someone else nearby, and help with errands and household chores when both parties agree.
- 6. Remove impediments to housing seniors with their intergenerational families.**
Promote the use of Registered Living Units (RLU's) as a way for seniors to live with their children. Provide information for senior's children on supportive services available in the County.

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August 14, 2008